

STATE OF CALIFORNIA  
DEPARTMENT OF CORPORATIONS

TEXT OF PROPOSED CHANGES  
UNDER THE  
CORPORATE SECURITIES LAW OF 1968  
PURSUANT TO NOTICE  
DATED: November 7, 2003

1. Section 260.102.14 is amended to read:

260.102.14. Limited Offering Exemption Notice of Transaction.

(a) An issuer who conducts a transaction under §Section 25102(f) of the Code shall file a notice with the Commissioner as follows:

(1) If in connection with the transaction the issuer is filing a notice with the Securities and Exchange Commission pursuant to §Section 4(6) of the Securities Act of 1933 or Regulation D (Rule 230.503), the notice may be a copy of the form first filed pursuant to those provisions. The fee required by §Section 25608(c) of the Code must accompany the filing. Each issuer (other than a California corporation) must also file a consent to service of process (Form 260.165), unless it already has a consent to service on file with the Commissioner. The filing should be accompanied with a cover letter indicating that the filing is pursuant to Section 25102(f), and if a consent to service is not included, a statement that the issuer already has a consent to service on file with the Commissioner. (An issuer that files a notice with the Securities and Exchange Commission pursuant to Rule 506 (17 C.F.R. § 230.506) should file the notice required by Section 25102.1(d) of the Code in the form of a copy of Form D, pay the fee required by Section 25608.1 of the Code, and file a consent to service of process (Form 260.165), unless it already has a consent to service on file with the Commissioner or it is a California corporation. The Section 25102.1(d) filing should be

accompanied by a cover letter indicating that the filing is pursuant to Section 25102.1(d) of the Code, and should not indicate that the filing is pursuant to Section 25102(f) of the Code.)

(2) Unless a notice is filed pursuant to paragraph (1), the notice shall be in the form and contain the information specified by subsection (c) and in accordance with the instructions in subsection (d).

(b) A notice required by this section shall be filed with the Commissioner no later than 15 calendar days after the first sale of a security in the transaction in this state. No notice is required if none of the securities offered are purchased in this state.

(c) Form of Notice. The following form is to be used for transactions covered by subsection (a)(2):

(Department of Corporations Use Only)

DEPARTMENT OF CORPORATIONS FILE NO., if any:

Fee paid \$ \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Receipt No. \_\_\_\_\_

Insert File number(s) of Previous Filings Before the  
Department, if any.

Fee: \$25.00 \$35.00 \$50.00 \$150.00 \$300.00 Other \$ \_\_\_\_\_

(Circle or insert the appropriate amount of fee. See subdivisions (c) and (e) of Corporations Code  
Section 25608~~(e)~~.)

COMMISSIONER OF CORPORATIONS

STATE OF CALIFORNIA

NOTICE OF TRANSACTION PURSUANT TO CORPORATIONS CODE SECTION 25102(f)

A. Check one: Transaction under ( ) Section 25102(f) ( ) Rule 260.103-

B. Date of First Sale in this State: \_\_\_\_\_

1. Name of Issuer:

\_\_\_\_\_

2. Address of Issuer:

\_\_\_\_\_

Street	City	State	Zip
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Mailing Address:

\_\_\_\_\_

Street	City	State	Zip
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3. Area Code and Telephone Number: \_\_\_\_\_

4. Issuer's state (or other jurisdiction) of incorporation or organization:

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5. Title of class or classes of securities sold in transaction:

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6. The value of the securities sold or proposed to be sold in the transaction, determined in accordance with Corporations Code Section- 25608(g) in connection with the fee required upon filing this notice, is (fee based on amount shown in line (iii) under "Total Offering"):

	<i>California</i>	<i>Total Offering</i>
(a)(i) in money	\$ _____	\$ _____
(ii) in consideration other than money	\$ _____	\$ _____
(iii) total of (i) and (ii)	\$ _____	\$ _____

(b) ( ) Change in rights, preferences, privileges or restrictions of or on outstanding securities

(\$25.00 fee.) (See Rule 260.103. For all other Rule 260.103 transactions, provide the value of the securities in Item 6(a).)

7. Type of filing under Securities Act of 1933, if applicable: \_\_\_\_\_

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8. Date of Notice: \_\_\_\_\_

Issuer

( ) Check if issuer already has a consent to service of process on file with the Commissioner.

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Authorized ~~S~~signature on behalf of issuer

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Print name and title of signatory

Name, Address and Phone number of contact person:

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Instruction: Each issuer (other than a California Corporation) filing a notice under Section 25102(f) must file a consent to service of process (Form 260.165), unless it already has a consent to service on file with the Commissioner.

(d) Instructions. The following instructions apply to the form specified in subsection (c):

COMMISSIONER OF CORPORATIONS  
STATE OF CALIFORNIA NOTICE OF TRANSACTION  
PURSUANT TO CORPORATIONS CODE SECTION 25102(f)  
INSTRUCTIONS

1. This Notice is to provide information on transactions conducted under the ~~s~~Section 25102(f) exemption from the qualification requirements of Section 25110 of the Corporate Securities Law of 1968 and under the Rule 260.103 exemption from the qualification requirements of Section 25120 of that Law. The form is not designed to indicate whether or not the transaction complies with the requirements of those exemptions but only to provide notice to the ~~e~~Commissioner that the exemption is being relied on.

2. When to File Notice. The Notice must be filed with, or mailed to, the Commissioner within 15 calendar days after the first sale of a security in the transaction in this state, or, if the issuer has failed to file a notice, within 15 business days after the discovery of the failure to file the notice or demand by the Commissioner, whichever comes first. The first sale in this state occurs when the issuer has obtained a contractual commitment in this state to purchase one or more of the securities the issuer intends to sell in connection with the transaction. No notice is required if none of the securities offered are purchased in this state. No subsequent notices are required for sales in connection with the same transaction. The information required by the form is to relate to the entire transaction, not just the first sale or sales in this state.

3. The Notice may be filed in person or by mail at any office of the Department. The Heading. If the issuer has previously qualified securities with the Department, insert the file number of the qualification in the upper right hand corner of the form in the space provided. Circle the appropriate fee for filing this Notice. The fee is based on the value of all securities sold or intended to be sold in the entire transaction as follows (see Item 6 for valuing securities):

<i>Value of Securities</i>	<i>Filing Fee</i>
\$25,000 or less	\$25
\$25,001 - \$100,000	\$35
\$100,001 - \$500,000	\$50
\$500,001 - \$1,000,000	\$150
Over \$1,000,000	\$300

If the Notice is filed more than 15 days after the first sale of a security in the transaction in this state, the fee is two hundred dollars (\$200) plus one-fifth of 1 percent of the aggregate value of the securities sought to be sold in this state (Item 6) up to a maximum aggregate fee of two thousand five

hundred dollars (\$2,500). Enter the appropriate fee for filing this notice under "Other."

Item A. Check appropriate box for exemption being relied on.

Item B. Provide the date of the first sale of a security in the transaction in this state.

Item 1. Give the issuer's legal name.

Item 2. Give the street address, and the mailing address if different, of the issuer's principal place of business.

Item 3. Give the telephone number of issuer's principal place of business.

Item 4. Give the name of the state or other jurisdiction under whose laws the issuer is incorporated or organized. If the issuer is not incorporated or organized under the laws of any jurisdiction, provide the name of the jurisdiction where issuer is domiciled and include parenthetical "(domicile)."

Item 5. Set forth the name or title of each class or type of security to be sold in the transaction.

Item 6. See Corp. Code ~~see~~ Section 25608(g). Generally, the value of the securities shall be the price at which the issuer proposes to sell the securities, as alleged in the notice, or the actual value of the consideration (if other than money) to be received in exchange for the securities. See ~~see~~ Section 25608(g) for valuing voting trust certificates, warrants, rights, and share dividends.

Item 7. If the transaction was registered under the Securities Act of 1933, insert "registered." If conducted pursuant to an exemption from registration under that Act which requires a filing with the Securities and Exchange Commission, indicate the number of the rule pursuant to which such filing was made. If no such filing was required, insert "none."

Item 8. Date and Signature. The notice should be signed by an authorized officer, director, general partner or trustee of the issuer (or a person occupying a position with the issuer of equivalent responsibility) or by the authorized attorney of the issuer. If the person the Department is to contact in the event of questions concerning the transaction or the notice is different than the signer, insert the contact person's name, telephone number and correspondence address in the spaces provided. Otherwise, provide this information with respect to the signer.

Filing Fee. Each notice, whether under

Section 25102(f) or Rule 260.103, must be accompanied by the filing fee required by sSection 25608(c) of the Code. The fee for filing a notice under Rule 260.103 for a change in rights, preferences, privileges or restrictions of or on outstanding securities is \$25. The fee for filing a notice under Rule 260.103 for any exchange of securities by the issuer with its existing securities holders exclusively is the filing fee required by Section 25608(c) of the Code. The fee for filing a notice more than 15 days after the first sale of a security in a transaction in this state is an amount equal to the fee payable had the transaction been qualified under Section 25110 of the Corporations Code (Corporations Code Section 25608(e)).

Corporations Code sSection 25165 requires each issuer, other than a California corporation, to file a consent to service of process with the notice filed pursuant to sSection 25102(f) unless it already has a consent to service on file with the Commissioner. Use Form 260.165 (see Rule 260.165, Title 10, California Administrative Code Code of Regulations).



(e) In lieu of filing a notice by mail or in person under subsection (a), an issuer may file a notice electronically through the Internet process made available by the Department.

The following shall apply to any person filing electronically:

- (1) In addition to the information requested in subsection (c), an issuer that files a notice electronically shall provide a Federal Employer Identification Number for the issuer and, if applicable, a Federal Employer Identification Number for a representative filing on behalf of the issuer.
- (2) The instructions and explanations in subsection (d) are applicable to the same information requested through the electronic filing.
- (3) An issuer (other than a California Corporation) filing a notice electronically shall file electronically an irrevocable consent appointing the Commissioner to be the issuer's attorney to receive service of process under Section 25165 of the Code.
- (4) An issuer filing the notice electronically shall print a copy of the notice and manually sign and date the notice pursuant to the instructions in Item 8 of subsection (d). The notice shall be executed before or at the time the electronic filing is made and shall be retained by the issuer for a period of five years from the date of filing.
- (5) Upon request, the issuer shall provide to the Commissioner the manually signed notice.

NOTE: Authority cited: Sections 25165 and 25610, Corporations Code. Reference: Sections 25102(f), 25102.1, 25165 and 25608, Corporations Code.